minus this language, of saying: Women's health is just not important. I hope every woman in this country, whether they agree with Roe or they disagree with Roe, whether they themselves would make one decision or another, will come together and say: Pro-choice means that the Government respects the individual, and isn't that really what our country is all about?

I thank the Chair. I yield back my time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I admire my distinguished colleague from California. She is a fighter. She has a conscience, and she is dedicated. I am delighted to listen to her. I agree with her absolutely.

TAXES

Mr. HOLLINGS. Mr. President, I wish to speak about a no-no subject—taxes. I get really worn out when I go home and hear the local folks are against taxes. I came to public service over 50 years ago when there was a conscience of paying the bill for the Government we provided. I will never forget, one of the first measures we had come before us was a veterans' bonus for the World War II veterans. I can see Julian Dusenberry, a Member from Florence, whose legs had been shot out from under him. He was a Distinguished Service Cross recipient. He raised himself up on those brass bars we had at the back of the Chamber for him, and he said: Mr. Speaker, we all are veterans, but we are all South Carolinians. South Carolina doesn't have the money, and I move to table the bill. And we killed the veterans' bonus.

It was shortly thereafter that I could see we were not providing public education in a general sense for all of our constituency. More particularly, there were just absolutely no schools for African Americans. I went to one shortly after I was elected. It was a one-square building, one floor. It was a cold November day. They had a potbellied stove in the middle, a class in one corner, a class in another corner, a class in the third corner, and a class in the fourth corner. This African American school had one teacher for the four classes. So I introduced the sales tax to pay for education. It was a 3 percent sales tax, and we finally enacted it in 1951. It was quite a struggle, but nobody has really contested that measure, nor has anyone put in a bill to repeal it.

We have to pay for the public schools. Under Governor Riley—he was Secretary of Education—we increased that from 3 to 5 percent.

When I came in as Governor of South Carolina, some 40 years ago, we had to attract industry. Everybody was looking for jobs. I am sort of an expert at looking for jobs. I traveled the highways and byways, but before I did that, I prepared myself to sell the point. I knew they were not going to invest in South Carolina, unless we had a pay-as-you-go operation. So I moved to increase taxes and got the AAA credit rating for the State of South Carolina back in 1959, before any Southern State, including the State of Virginia, had a AAA credit rating.

I address the distinguished Chair because he gave real leadership to his State of Virginia when he was Governor. He knows exactly what we are talking about. In fact, the gentleman we had in South Carolina went back up to Richmond, VA, to help in industrial expansion. So we worked together trying to develop public education, strong communities, and fiscal responsibility at the State level. But you can come up here to Washington and you can forget about it.

I saw one article the other day that was put in the RECORD relative to President Lyndon Baines Johnson. It said he didn't care. Oh, no, he did. He didn't give us guns and butter. He paid in 1968 and 1969 for the Vietnam War. The last time your U.S. Government balanced the budget was under President Lyndon Baines Johnson in 1968–1969. We ended up in the black with a surplus. Thereafter, as chairman of the Budget Committee under President Carter I can tell you, we still had a conscience.

I will never forget that 1980 election. They cleaned out Democrats. I went to the ones who were cleaned out and said: Look, you have to give me a vote. We can't leave this year with a deficit bigger than the one we inherited from President Ford. I went to Senator Magnuson, I went to Senator Church, I went to Senator Culver, I went to Senator McGovern, I went to Senator Bayh, I went to Senator Gaylord Nelson—all defeated in 1980. I said: You have to give me one vote. They did, and we reduced that deficit.

Then, of course, when President Reagan came in with voodoo, which Vice President Bush called it, the idea is to cut your taxes and that will increase your revenue. That is absolute nonsense. We know now from voodoo 1, 2, 3, and 4 that we are in the worst trouble we have ever been. That is why I take the floor today to speak generally with respect to taxes.

All politicians are against taxes. In fact, some are so adamant against them, they run against the Government, they run against the job they are running for. But taxes are what we pay for a civilized society, said Oliver Wendell Holmes.

Let's try, Mr. President, a nation without taxes, just momentarily. Let's agree, for example, to not touch Social Security and Medicare—they are both in surplus. In fact, everybody wants to save Social Security. If you just left it alone and quit spending the Social Security revenues on any and everything but Social Security, you would have a $1.5 trillion surplus in the Social Security trust fund, which the Greenspan Commission called for and which we passed in law, section 13–301 of the Budget Act, that we totally ignore now. So let's leave Social Security, Medicare, and Defense alone.

But let's take all the other things government does with taxpayer dollars and get rid of them so we can get rid of taxes. The Departments of State, Justice, Commerce, and Education would immediately be abolished. We would eliminate the FBI.

We would stop building roads or fixing the ones we have. We would do away with the hospitals receiving Federal support, eliminate the National Institutes of Health, and close all the Veterans Hospitals.

We would close the monuments and the parks, decertify the food certified by the Food and Drug Administration, decertify the drugs for the same reason, eliminate all the farm programs. When one mentions farm programs, they can get some attention in this body. That is the crowd that does not want to pay for anything, but they wiggle their way in and walk away with billions every time, every session. They always get billions, but let's do away with the farm programs, eliminate the development programs, forget about clean air, clean water, just close the Environmental Protection Administration; cancel NOAA, cancel NASA, cancel the housing programs, close the airports because they are supported by Federal taxes.

In fact, just close the prisons. Tell all the prisoners, sooey, pig, just get out. Just shoo, get out. Get rid of the President, get rid of the Congress, the Cabinet, the courts. Just get rid of the government.

I talked to a group in South Carolina and finally got their attention that we are lucky to be born in America where there is a government supported by the taxes that helps provide our opportunities. For example, someone born in Zambia can expect to live to only 37 years of age; born in Swaziland, 38 years; born in Rwanda, 39 years; Mozambique, 40 years; Niger, where someone found yellow cake, he lives to be 41 years of age. If I had been born in Niger, I would have been dead already for 40 years. I do not want to give that idea out to a lot of people listening to what I am talking about.

Eighty percent of those born today in rural India have worms. Eighty-five percent will go hungry and 95 percent in rural India will drink dirty water all of their lives. One born today in Botswana has a one in three chance of getting AIDS, and someone born in Mali instead of the United States has only a 10-percent chance of completing the first grade. One born in Brazil has a 40-percent chance of dropping out of school by the sixth grade. A girl born in Pakistan has less than a 10-percent chance of attending high school. In Senegal one has only a 50-percent chance of finding a job.

In Sri Lanka, one can expect to earn only 40 cents an hour; Haiti, 30 cents an hour; Bangladesh, 20 cents an hour. So one born in many countries instead of the good old USA, they cannot vote, they have no labor rights, they cannot even assemble.

We all like to think, wait a minute now, we all came up by our own bootstraps; that we did it on our own. No. If one is born in America, the government has furnished the boot. The government in America has furnished the law and order, educational opportunity, a market economy, clean air, clean water, civil rights, labor rights, a free society. Born in America, as Thomas Wolfe wrote, each has his own shining golden opportunity.

Because of this land of opportunity, supported by taxes, Asians come hidden in containers on ships, and Mexican immigrants risk their lives every day to get here.

Some will say we do not need the taxes. What we need is spending cuts. I say to my dear colleagues, spending cuts will not do it. I think that is the thrust of the point that I hope sobers this crowd up. It worries them, as it worries me. Even if Congress eliminated every nondefense Government program, it would not get us out of the deficit hole.

Every American should refer to page 8 of the Congressional Budget Office Budget and Economic Outlook Update. I ask unanimous consent that page 8 and page 10 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 1–3.—CBO'S PROJECTIONS OF DISCRETIONARY SPENDING AND HOMELAND SECURITY SPENDING

[In billions of dollars]

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total, 2004–2008	Total, 2004–2013
TOTAL DISCRETIONARY SPENDING IN CBO'S BASELINE [1]													
Budget Authority:													
Defense	455	465	476	488	500	514	527	541	556	571	587	2,442	5,226
Nondefense	391	407	416	427	437	449	462	474	487	500	514	2,136	4,573
Total	846	872	892	914	938	963	989	1,015	1,044	1,071	1,101	4,579	9,799
Outlays:													
Defense	407	452	472	481	489	506	519	533	552	558	578	2,400	5,140
Nondefense	419	448	460	467	479	491	502	515	528	542	556	2,345	4,988
Total	826	900	931	948	969	996	1,022	1,048	1,080	1,100	1,134	4,745	10,128
DISCRETIONARY SPENDING CLASSIFIED AS HOMELAND SECURITY SPENDING [2]													
Budget Authority:													
Defense	12	12	12	13	13	13	14	14	14	15	15	63	135
Nondefense	26	27	28	29	29	30	31	32	33	34	35	143	309
Total	38	39	40	41	42	44	45	46	47	49	50	206	444
Outlays:													
Defense	11	12	12	12	13	13	13	14	14	15	15	62	133
Nondefense	22	26	27	28	29	30	31	32	33	34	35	141	305
Total	32	38	40	41	42	43	44	46	47	48	50	203	438

[1] CBO's baseline assumes that discretionary spending grows at the rate of inflation after 2003. Inflation is projected using the inflators specified in the Balanced Budget and Emergency Deficit Control Act of 1985 (the GDP deflator and the employment cost index for wages and salaries).

[2] This classification includes much of the funding associated with the Department of Homeland Security, as well as funding for homeland security activities performed by other federal agencies, such as the Departments of Justice, Health and Human Services, and Energy. Funding for certain activities of the Department of Homeland Security, such as maritime safety and immigration services, is not included because those activities are not part of the Administration's definition of homeland security. For a complete discussion of the Administration's definition of homeland security, see Office of Management and Budget, Annual Report to Congress on Combating Terrorism (June 2002), available at www.whitehouse.gov/omb/legislative/combating__terrorism06-2002.pdf. In addition, the Administration's definition includes roughly $1 billion of mandatory spending each year.

Source: Congressional Budget Office.

Note: Discretionary outlays are usually higher than budget authority because of spending from the Highway Trust Fund and the Airport and Airway Trust Fund, which is subject to obligation limitations set in appropriation acts. The budget authority for such programs is provided in authorizing legislation and is not considered discretionary.

TABLE 1.5.—CBO'S BASELINE PROJECTIONS OF FEDERAL INTEREST AND DEBT

[In billions of dollars]

	Actual 2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total, 2004–2008	Total, 2004–2013
NET INTEREST OUTLAYS														
Interest on the Public Debt (Gross interest) [1]	333	322	318	356	409	463	510	549	583	611	633	647	2,057	5,080
Interest Received by Trust Funds:														
Social Security	−77	−84	−87	−93	−102	−114	−128	−142	−157	−173	−190	−208	−524	−1,395
Other trust funds [2]	−76	−73	−66	−69	−74	−78	−82	−87	−91	−96	−101	−106	−369	−848
Subtotal	−153	−157	−153	−162	−176	−192	−210	−229	−248	−269	−291	−314	−893	−2,244
Other Interest [3]	−8	−8	−10	−11	−13	−15	−17	−19	−21	−23	−25	−28	−65	−182
Other Investment Income [4]	0	(*)	(*)	−1	−1	−1	−1	−1	−1	−1	−1	−1	−3	−7
Total (Net interest)	171	157	155	184	220	255	282	301	312	318	316	305	1,096	2,648
FEDERAL DEBT (AT END OF YEAR)														
Debt Held by the Public	3,540	3,986	4,443	4,790	5,027	5,242	5,450	5,631	5,784	5,800	5,645	5,438	n.a.	n.a.
Debt Held by Government Accounts:														
Social Security	1,329	1,486	1,650	1,828	2,025	2,241	2,475	2,727	2,996	3,281	3,580	3,891	n.a.	n.a.
Other government accounts [2]	1,329	1,367	1,436	1,523	1,627	1,739	1,856	1,978	2,104	2,235	2,373	2,513	n.a.	n.a.
Total	2,658	2,852	3,085	3,352	3,653	3,980	4,331	4,705	5,100	5,516	5,953	6,404	n.a.	n.a.
Gross Federal Debt	6,198	6,838	7,528	8,142	8,679	9,222	9,782	10,335	19,774	11,316	11,598	11,842	n.a.	n.a.
Debt Subject to Limit [5]	6,161	6,801	7,491	8,105	8,642	9,185	9,744	10,297	10,845	11,277	11,599	11,803	n.a.	n.a.
FEDERAL DEBT AS A PERCENTAGE OF GDP														
Debt Held by the Public	34.2	37.1	39.5	40.4	40.1	39.7	39.2	38.5	37.6	36.0	33.4	30.7	n.a.	n.a.

[1] Excludes interest costs of debt issued by agencies other than the Treasury (primarily the Tennessee Valley Authority).

[2] Principally Civil Service Retirement, Military Retirement, Medicare, and Unemployment Insurance.

[3] Primarily interest on loans to the public.

[4] Earnings on private investments by the Railroad Retirement Board.

[5] Differs from gross federal debt primarily because most debt issued by agencies other than the Treasury is excluded from the debt limit. The current debt limit is $7,384 billion.

Source: Congressional Budget Office.

Note: * = between −$500 million and zero; n.a. = not applicable.

Mr. HOLLINGS. If we turn to page 8, we will see that nondefense outlays for this particular fiscal year that we are in is 419 billion bucks. But if we turn to page 10, we will see that the deficit for this fiscal year is $640 billion. So do not just cut. Eliminate all nondefense programs, eliminate all those departments, prisons, the FBI, the Congress, the courts, the President. Just eliminate everything. Get rid of it. And we still have a $200 billion dollar or more deficit.

So do not come around in these debates and give these nice, pleasant, Chamber of Commerce, rotary club talks that what we really need in Washington is to cut down the spending, cut down the size of Government, Government is just too big.

Well, by gosh, come on up here and just cut it out, and there is still a deficit. So we have over a $200 billion deficit right there and then, and now comes President Bush who says he needs $87 billion—like we have some money. We are just nothing but wallowing around in the red using credit cards, and so he asks that the Congress provide $87 billion more for Iraq. Of course, that is all on the credit card further, a bigger deficit. It is really a sin and a shame.

What we are saying is, me and my generation and most of the generations of the Members that I see and who can speak this evening say we ain't going to pay the bill. We do not want that GI in downtown Baghdad to get killed. We want him to rush back to pay the bill because we ain't going to pay for it. We need a tax cut so next year we can get reelected. That is the message of everybody running around with flags on their lapels showing how they support the troops.

Well, come on. Support the troops? When are they going to cosponsor my value-added tax? I tried it with the value-added tax after we failed with Gramm-Rudman-Hollings. We worked with President Reagan in a bipartisan fashion and we did a good job momentarily for 2 or 3 years, but then instead of using Gramm-Rudman-Hollings to cut back some $35 billion in spending each and every year, we were using it as a cover to increase spending $35 billion each and every year.

So I said give me a divorce from that. I don't want my name connected with it. I got hold of Dick Darman, when President George Herbert Walker Bush, the senior Bush, took office. Darman was the OMB Director.

I said: Dick, we ought to have a value-added tax.

They discussed it. I got a little note from Papa Bush to the effect that he might consider that but not right now, his first year in office.

We tried and tried until we got to President Clinton. Then we had a showdown on how to act responsibly. Without a single Republican vote in the House, without a single Republican vote in the Senate, President Clinton and this Democratic Congress passed an increase in taxes as well as spending cuts. We cut some $350 billion to $400 billion in spending, but we increased taxes on the high and wealthy. We increased the income taxes. We increased gasoline taxes. We increased Social Security taxes.

I will never forget the distinguished Senator from Texas, Mr. Phil Gramm, saying they were going to be hunting down the Democrats in the streets and shooting us like dogs when they found out we were, by gosh, going to increase taxes on Social Security.

But you see now that rich crowd comes in, and what they want and all they ask for is: Give me an income tax cut. Give me a retroactive one, nunc pro tunc. They sneaked in all kinds of things for Kenny Boy Lay. It came to $250 million. I have never seen such things.

Then they wanted to get rid of the taxes on dividends. I want the party of Lincoln to remember that Abraham Lincoln put a tax on dividends to pay for the Civil War. He was willing to pay for the war. We have paid for every war, until now.

Let me be brief here because I can see the hour is getting late. Rather than going into this very interesting article by the former Secretary of Labor, Dr. Robert B. Reich, printed in USA Today entitled ''Tax wealthy to pay for Iraq war,'' I ask unanimous consent to have that article printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the USA Today, Sept. 15, 2003]

TAX WEALTHY TO PAY FOR IRAQ WAR

TEST PATRIOTISM'S DEEPER MEANING

(By Robert B. Reich)

President Bush says he will ask Congress for $87 billion in emergency spending for military and intelligence operations in Iran and Afghanistan. That's on top of the $79 billion Congress already has approved to pay for the war and its immediate aftermath. Neither of these figures includes an estimated $50 billion more that will be needed to rebuild Iraq, or any additional expenditures we may need for homeland security.

How can we afford all that?

The coming fiscal year's federal budget deficit already is approaching $600 billion. Add in the extra spending, and it's close to $600 billion. And that's just one year's tab. The total over all the years it will take to stabilize both Iraq and Afghanistan and win the war against terrorism is likely to be far higher.

Bush and the Republican Congress have no real plan to pay for these extra costs. At one time they mentioned Iraq oil, but the oil won't be flowing in substantial volume until wells and pipelines are rebuilt, which could take years. America's major allies haven't offered to foot the bill. Given that France and Germany are still grumpy about the Iraqi war, and Britain's Prime Minister Tony Blair is taking a great deal of heat about it at home, there's no reason to suppose that they will be offering a lot of financial help.

One thing is certain. Neither the White House nor Congress is considering the best solution: a year tax on wealthy. Raising taxes is politically unpopular. Bush has wanted only to cut taxes, especially on America's wealth. Yet there's a strong history of conservatives and Republicans who have embraced war taxes as the fairest and best way to finance the costs.

Traditionally during wartime, taxes have been raised on top incomes to pay the extra costs of war. The estate tax—overwhelmingly paid by wealthy families—was imposed by wartime Republican presidents Abraham Lincoln and William McKinley. It was maintained through World War I, World War II, the Korean War, Vietnam and the Cold War. Now, the estate tax is being phased out, at least until 2011, as part of the tax cut of 2001.

The top income tax rate rose during World War I to 70 percent. In World War II, it reached more than 90 percent. In 1953, with the Cold War raging, Republican President Dwight Eisenhower refused to support a Republican move to reduce it. By 1980, it was still way up there, at 70 percent. Then Ronald Reagan slashed it to 28 percent, giving us the lowest top tax rate of all modern industrialized nations. Because Reagan kept spending record sums on the military, the federal deficit ballooned. A few years after that, the Berlin Wall came down, ending the Cold War. We congratulated ourselves and then faced the largest budget deficit since World War II.

It seems only fair that the rich should pay proportionately more, especially now that the cost of the war against terrorism is rising. They're the only ones with money to spare. Look at the numbers: In 1979, the top 5 percent of earners took home 16.4 percent of total family income, but by 2001, their share had increased to 22.4 percent. In contrast, in 1979 the bottom 60 percent of earners took home 31.4 percent of total income; by 2001 their share had declined to 26.8 percent.

Besides, the very richest Americans benefit disproportionately from a stable federal government that protects their property and maintains public tranquility.

President Teddy Roosevelt made that case in 1906, arguing that the wartime inheritance tax should continue during peacetime: ''The man of great wealth owes a particular obligation to the state because he derives special advantages from the mere existence of government.''

It is the least the wealthy can do when so many others are sacrificing for the nation. Most wealthy kids never come near a front line. During the first Gulf War, enlistment rates for children of the richest 15 percent were one-fifth of the national average. Charles Moskos, a sociology professor at Northwestern University and expert on military affairs, notes that in his 1956 Princeton class, 450 of 750 men served in the military. In those days, America still had a draft. Last year, only three of Princeton's 1,000 graduates served.

The Bush administration doesn't seem interested in a war tax on the wealthy. To the contrary, the White House has been busily shifting the tax burden away from the rich—phasing out the estate tax, cutting taxes on dividends and parceling out other tax breaks to them. The president says this is the way to stimulate a sluggish economy. But the rich aren't going to spend the extra cash. They already spend as much as they want. They're more likely to invest it around the world, wherever they can get the highest return. Repealing a year's tax cut for the top 1 percent would generate almost enough to cover the entire $87 billion of additional spending on Iraq.

A war tax, properly structured, also would prevent the rich from squirreling away their income in foreign tax shelters. An acquaintance from law school, now a partner in one of Washington's biggest firms, with offices to many countries, recently explained to me one such dodge as we lunched in a swanky restaurant. He and his partners use tax rules to create offsetting taxable gains and losses, then allocate the gains to the firm's foreign partners, who don't pay taxes in the United States. That way, they keep the losses in the United States and shelter their income abroad. A war tax, properly structured, would close such foreign loopholes.

I noted he had an American flag lapel pin. ''You're supporting our troops,'' I said, referring to it. ''Yup,'' he replied, entirely missing my point. ''And I can't stand all those naysayers who are knocking America. I mean, we stand or fall together, right?''

Exactly. Suggesting that the wealthy should pay more to support the nation in time of war isn't inviting class warfare. It's exploring a deeper meaning of patriotism. The basic question is what we own one another as citizens. The question seems especially pertinent in a newly dangerous world, in which we stand or fall together.

Mr. HOLLINGS. Secretary Reich, he wants to tax the 1 percent most wealthy. He says that will get us $87 billion.

I am for doing away with all of President Bush's tax cuts so we can get jobs and the economy going, as we did under President Clinton. When we passed that, back in 1993, we had 8 years of the finest economic growth that you have ever seen. We put the Government back in the black, and we did it by increasing taxes. Now they say to put it back in the black, give the rich a tax cut.

FCC MEDIA OWNERSHIP

Mr. HOLLINGS. Mr. President, let me address the particular resolution for disapproval of the Federal Communication Commission's order relative to not only increasing media ownership from 35 percent to 45 percent but, more particularly, also eliminating cross-ownership rules so you can own everything. You can own the cable, you can own the television, you can own the newspaper, you can own the satellite and many stations and what have you, and, in the main, the networks own them.

I hasten to add that I hold no brief for or difference with any of the 10 particular Federal Communications Commission Chairmen with whom I have served. I have served, it will be almost 37 years, beginning with Rosel Hyde back in 1966, to Dean Burch, to Richard Wiley, to Charles Ferris, to Mark Fowler, to Dennis Patrick, to Alfred Sikes, to James Quello, to Reed Hundt, to William Kennard. Ask any one of them.

I got on the Commerce Committee and on the Subcommittee on Communications, when John Pastore of Rhode Island was the chairman of the subcommittee. For over 20-some years I have served as either chairman of that subcommittee or ranking member.

Right to the point, I want to try to agree with our distinguished FCC chairman, Michael Powell. I tried my best to sit down and talk with him. I realized from the get-go that he was off on a toot because he was asked, just as he was coming into office, about the public interest. He was asked, at his maiden news conference, for his definition of the public interest.

Powell joked:

> I have no idea. The term can mean whatever people want it to mean. It's an empty vessel in which people pour in whatever their preconceived views or biases are.

I could see we would have trouble because here is a regulatory body to carry out the rules and regulations and the intent of the Congress to regulate, and here he is coming in and saying: No, no—market forces. The public interest is just something fanciful. It is an ''empty vessel,'' to use his characterization.

Free market analysis does not apply to the broadcasting industry because of spectrum scarcity; that is, the primary local broadcast is the primary source for local news, weather, public affairs programming, and emergency information.

When we had the 1996 act, it actually was a bill that I had worked on 2 years as chairman of the Commerce Committee. I can see George Mitchell, the majority leader, trying to get it up because we passed it out of the committee unanimously. We worked in a bipartisan fashion. He could not get it up. In desperation and frustration, he said: The first thing I am going to do when we convene next year is call up the Telecommunications Act.

Of course we Democrats were beat. The Republicans took over. Senator Larry Pressler, the distinguished Senator, took over as chairman of the Commerce Committee and he put in the Republican version. But in conference—you can ask Tom Bliley, who was the Republican chairman in the House and I was working on the Senate side—that we more or less reconciled it to a bill that we had worked on literally for 4 years to promote competition.

We realized we were into a dynamic environment, changing each day. We worded the language in there so it would not only deregulate but reregulate.

Of course the distinguished Chairman Powell went along with every gimmick in the book, such as it didn't refer to data, and various other things that my colleague over on the House side, BILLY TAUZIN, put in, but we held up.

Finally, the other day they put out an order relative to the ownership cap and the cross-ownership. Let's take 1 second with respect to the ownership cap.

What happens is that we were really trying to hold it to the 25 percent. There were some in violation, in excess of that. They wanted to be able to reconcile themselves and come into conformance with the law itself and the rule. We got down to the base wire and everything else of that kind. There was not any question in our own minds that the 25 percent was enough ownership, because we could see how the radio was going at the particular time.

We all know how radio has gone, where they can own 1,200 stations. When you get that kind of ownership, they can't just give numbers, you have to get control.

I can't get any kind of local thing. It is all foreign. In fact, you are liable to get the weather out of India at your local hometown station. They are reading from some kind of report.

We had a system that was actually checks and balances at the Federal Government level. In other words, in broadcasting, the content was provided by producers. The networks served as wholesalers and the local affiliates as distributors. Now the networks have come in and gotten their own programming. They have done away with the financial syndication rule. They have gotten into their own programming in vertical integration.

The networks have been allowed to buy up stations, and they are buying them up like gangbusters. What we are going to have here is almost one branch of government trying to preserve localism in the public interest. It is not going to happen if this continues. It just threw everyone into turmoil.

There isn't any question. On the House side, even though Chairman TAUZIN opposed it vigorously, a bipartisan group put in the State, Justice, Commerce appropriations bill that the 45-percent rule of the Federal Communications Commission be reversed and go back to 35 percent. We considered the same thing over at the markup of the State, Justice, Commerce appropriations bill, and we included that same provision word for word.

I ask unanimous consent that an article entitled ''How Michael Powell Could Have the Last Laugh,'' in this week's Business Week, which goes right to the cross-ownership, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From BusinessWeek, Sept. 22, 2003]

HOW MICHAEL POWELL COULD HAVE THE LAST LAUGH

(By Catherine Yang)

Federal Communications Commission Chairman Michael K. Powell looks like a man on the run. Since he passed sweeping rules in June enabling greater media consolidation, an angry public has ignited a fast-burning backlash against his deregulatory agenda. On Sept. 3, at the urging of public interest groups, the U.S. Court of Appeals in Philadelphia stayed the rules until it could finish reviewing them. The next day, the Senate Appropriations Committee voted to bar the FCC from implementing a new rule allowing TV networks to own stations covering up to 45% of the U.S. audience.

But while the opponents of media consolidation seem to be gaining ground fast, they shouldn't be too quick to declare victory. In fact, Capitol Hill's expected repudiation of the networks' 45 percent limit risks letting the steam out of the debate—and leaving Powell's laissez-faire legacy intact. Until now, lawmakers and the anti-Big Media insurgents have focused on gutting this one rule. The 45 percent cap has become a rallying symbol, but the regulations that would truly reorder America's media landscape and affect local communities have flown under the radar. These would allow companies to snap up not only two to three local TV stations in a market but also a newspaper and up to eight radio stations. If the courts and Congress are worried about the dangers of media consolidation, they'll have to resist calling it a day after dispensing with the network cap and go after the rule with real bite.

As it stands now, TV's Big Four networks will be losers among media outlets—thanks mostly to vociferous lobbying by independent TV affiliates. With strong ties to lawmakers who depend on them for campaign coverage, the affiliates have succeeded in getting a House vote against the 45 percent rule and will likely see a rerun of that episode when the Senate votes by October. But with Fox and CBS already each owning stations that cover about 40 percent of the nation's audience, ''going up another 5 percent isn't going to make a dramatic difference,'' says Scott A. Stawski, a media consultant at Inforte in Chicago.